

EMERGENCY FOOD AID TO INDIA

JUNE 5, 1951.—Ordered to be printed

Mr. RICHARDS, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany Senate 872]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 872) to furnish emergency food aid to India, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following: *That this Act may be cited as the "India Emergency Food Aid Act of 1951."*

SEC. 2. Notwithstanding any other provisions of law, the Administrator for Economic Cooperation is authorized and directed to provide emergency food relief assistance to India on credit terms as provided in section 111 (c) (2) of the Economic Cooperation Act of 1948, as amended, including payment by transfer to the United States (under such terms and in such quantities as may be agreed to between the Administrator and the Government of India) of materials required by the United States as a result of deficiencies, actual or potential, in its own resources. The Administrator is directed and instructed that in his negotiations with the Government of India he shall, so far as practicable and possible, obtain for the United States the immediate and continuing transfer of substantial quantities of such materials particularly those found to be strategic and critical.

SEC. 3. For purposes of this Act the President is authorized to utilize not in excess of \$190,000,000 during the period ending June, 30, 1952, of which sum (1) not less than \$100,000,000 shall be made available immediately from funds heretofore appropriated by Public Law 759, Eighty-first Congress, for expenses necessary to carry out the provisions of the Economic Cooperation Act of 1948, as amended; and (2)

\$90,000,000 shall be available from any balance of such funds unallotted and unobligated as of June 30, 1951: Provided, That if such amount unallotted and unobligated is less than \$90,000,000 an amount equal to the difference shall be obtained from the issuance of notes in such amount by the Administrator for the Economic Cooperation Administration, who is hereby authorized and directed to issue such notes from time to time during fiscal years 1951 and 1952 for purchase by the Secretary of the Treasury, and the Secretary of the Treasury is hereby authorized and directed to purchase such notes and, in making such purchases to use, as a public debt transaction, the proceeds of any public debt issue pursuant to the Second Liberty Loan Act as amended: And provided further, That \$50,000,000 reserved by the Bureau of the Budget pursuant to section 1214 of Public Law 759 of the Eighty-first Congress from funds appropriated by that Act for expenses necessary to carry out the provisions of the Economic Cooperation Act of 1948, as amended, shall not be available for purposes of this section.

SEC. 4. (a) Funds made available for purposes of this Act shall be used only for the purchase of food grains or equivalents in the United States.

(b) No procurement of any agricultural product within the United States for the purpose of this Act shall be made unless the Secretary of Agriculture shall find and certify that such procurement will not impair the fulfillment of the vital needs of the United States.

(c) The assistance provided under this Act shall be for the sole purpose of providing food grains, or equivalents, to meet the emergency need arising from the extraordinary sequence of flood, drought, and other conditions existing in India in 1950.

(d) The assistance provided under this Act shall be provided under the provisions of the Economic Cooperation Act of 1948, as amended, applicable to and consistent with the purposes of this Act.

SEC. 5. Notwithstanding the provisions of any other law, to the extent that the President, after consultation with appropriate Government officials and representatives of private shipping, finds and proclaims that private shipping is not available on reasonable terms and conditions for transportation of supplies made available under this Act, the Reconstruction Finance Corporation is authorized and directed to make advances not to exceed in the aggregate \$20,000,000 to the Department of Commerce, in such manner, at such times, and in such amounts as the President shall determine, for activation and operation of vessels for such transportation, and these advances may be placed in any funds or accounts available for such purposes, and no interest shall be charged on advances made by the Treasury to the Reconstruction Finance Corporation for these purposes: Provided, That pursuant to agreements made between the Reconstruction Finance Corporation and the Department of Commerce, the Reconstruction Finance Corporation shall be repaid without interest not later than June 30, 1952, for such advances either from funds hereafter made available to the Department of Commerce for the activation and operation of vessels or, notwithstanding the provisions of any other Act, from receipts from vessel operations: Provided further, That pending such repayment receipts from vessel operations may be placed in such funds or accounts and used for activating and operating vessels.

SEC. 6. Notwithstanding any other provisions of law, the Administrator for Economic Cooperation is authorized to pay ocean freight charges from United States ports to designated ports of entry in India of

relief packages and supplies under the provisions of section 117 (c) of the Economic Cooperation Act of 1948, as amended, including the relief packages and supplies of the American Red Cross. Funds now or hereafter available during the period ending June 30, 1952, for furnishing assistance under the provisions of the Economic Cooperation Act of 1948, as amended, may be used to carry out the purposes of this section.

SEC. 7. (a) Any sums payable by the Government of India, under the interest terms agreed to between the Government of the United States and the Government of India, on or before January 1, 1957 as interest on the principal of any debt incurred under this Act, and not to exceed a total of \$5,000,000, shall, when paid, be placed in a special deposit account in the Treasury of the United States, notwithstanding any other provisions of law, to remain available until expended. This account shall be available to the Department of State for the following uses.

(1) Studies, instruction, technical training, and other educational activities in the United States and in its Territories or possessions (A) for students, professors, other academic persons, and technicians who are citizens of India, and (B) with the approval of appropriate agencies, institutions, or organizations in India, for students, professors, other academic persons, and technicians who are citizens of the United States to participate in similar activities in India, including in both cases travel expenses, tuition, subsistence and other allowances and expenses incident to such activities; and

(2) The selection, purchase, and shipment of (A) American scientific, technical, and scholarly books and books of American literature for higher educational and research institutions of India, (B) American laboratory and technical equipment for higher education and research in India, and (C) the interchange of similar materials and equipment from India for higher education and research in the United States.

(b) Funds made available in accordance with the provisions stated above may be used to defray costs of administering the program authorized herein.

(c) Disbursements from the special deposit account shall be made by the Division of Disbursement of the Treasury Department, upon vouchers duly certified by the Secretary of State or by authorized certifying officers of the Department of State.

And the House agree to the same.

JAMES P. RICHARDS,
A. A. RIBICOFF,
BROOKS HAYS,
JOHN M. VORYS,
LAWRENCE H. SMITH,

Managers on the Part of the House.

G. M. GILLETTE,
BRIEN MCMAHON,
J. WILLIAM FULBRIGHT,
B. M. M. (proxy),
ALEXANDER WILEY,
H. ALEXANDER SMITH,

Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 872) to furnish emergency food aid to India, submit the following statement in explanation of the effect of the action agreed upon by the committee of conference and recommended in the accompanying conference report.

The House struck out all of the Senate bill after the enacting clause and inserted a substitute amendment. The committee of conference has agreed to a substitute for both the Senate bill and the House amendment. Except for the differences noted below, and except for clarifying, clerical, and necessary conforming changes, the conference substitute is the same as the House version.

The short title of the bill.—In the Senate bill the short title is "India Emergency Food Aid Act of 1951." The short title in the House amendment is "India Emergency Assistance Act of 1951." The conference agreement uses the Senate language. The difference is small. The committee of conference adopted the Senate language because "food aid" more precisely describes the substance of the bill than does "assistance." It is true that the bill makes assistance available to India, but the type of assistance is "food aid."

Method of financing the loan.—Both the Senate bill and the House amendment provide for a loan. The difference is on how funds should be made available. The House amendment provides for a completely "self-generating" public debt transaction. The principal points of the Senate bill are:

(a) The loan funds (\$190,000,000) are to be provided as nearly as possible from presently available ECA appropriations. At least \$100,000,000 will be taken out of ECA funds for this purpose. The remaining \$90,000,000 will also come from ECA funds, if they are available as of June 30, 1951. Any amount short of \$90,000,000 will be provided by a "self-generating" public-debt transaction of the type provided in the House amendment.

(b) The second proviso, excepting \$50,000,000 from availability for loan purposes, covers a technical point. The General Appropriation Act (Public Law 759, 81st Cong.) required the President to reduce appropriations by \$550,000,000 through an apportionment procedure. In accordance with this procedure, the Bureau of the Budget has withheld \$50,000,000 of ECA's funds. So far as Congress is concerned, these funds are available to ECA, having been appropriated to the President for this purpose. So far as ECA is concerned, the funds are not available, having been withheld by the Bureau of the Budget in accordance with the discretion provided in the appropriation act. ECA's estimates of availability of funds do not include the \$50,000,000 withheld. The purpose of the proviso is to specify that the withheld funds are not available for purposes of a loan to India.

The House receded and agreed to the Senate method of financing the loan. The use of appropriated funds for loan purposes is well estab-

lished. Since ECA now has at least \$100,000,000 available and will by June 30, 1951 possibly have more funds available, the committee of conference felt that funds already appropriated should be utilized before additional sums are added to the public debt. The conference agreement does this.

Restriction on purpose of the assistance.—There are two differences here, both of them minor. One relates to what shall be provided and the other to the causes of the crisis in India that gave rise to the need for assistance.

On the question of what is provided, the Senate bill uses the words "providing food grains, or equivalents," while the House amendment uses the words "providing food." The conference agreement contains the Senate language. India's need is for food grains or commodities serving the same purpose. The Senate language more precisely describes what India will purchase with the proceeds of the loan. The use of the words "or equivalents" is important. It may not be possible to furnish food grains in the amounts India may desire. The executive branch has informed the Congress that dried beans, flour, and other like commodities may be furnished in lieu of some food grains.

The conference agreement uses the Senate language describing the causes of the Indian food crisis. It is difficult to be precise in ascribing the causes of a food shortage of the magnitude that faces India. Limiting relief to needs caused by "natural disasters" might involve an impossible administrative problem.

Certification of availability of supplies.—Both the Senate bill and the House amendment require the Secretary of Agriculture to certify that procurement for purposes of this act will not impair the vital needs of the United States. The difference is in emphasis. The Senate language provides "no procurement * * * unless the Secretary of Agriculture shall find and certify * * *". The House amendment provides "that with respect to the procurement * * * the Secretary of Agriculture shall certify * * *".

The committee of conference adopted the Senate language. The basic assumption upon which this bill rests is that the United States will provide food aid so far as aid is available without impairing the vital needs of the United States. In view of recent crop reports, United States supplies will not be as plentiful as originally indicated. United States commitments have not diminished. For these reasons, the committee of conference desired to make the responsibility of the Secretary of Agriculture quite clear. The Senate language does this.

Determining the availability of private shipping.—The House amendment uses only the words "the President finds." The Senate bill uses the words "the President, after consultation with appropriate government officials and representatives of private shipping, finds and proclaims." The language of the Senate bill is designed to make sure that Government-owned ships will not be put into service unless private shipping is unavailable on reasonable terms and conditions. Ordinarily, the procedure to determine this point involves a formal hearing and determination by the executive branch that private shipping is unavailable. This is a time-consuming procedure and would require about a month. The effect would undoubtedly be to delay shipment of grain to India. All of the evidence now indicates that private shipping is in fact unavailable. However, the committee

of conference felt that sufficient provision should be made to prevent precipitate action by the executive branch without careful examination of the facts. In the interest of getting grain to India as soon as possible, the committee of conference interprets this provision to mean that no formal hearing is required, but that any executive decision that private shipping is unavailable be based on sufficient consultations to ascertain the facts of the situation.

Shipment of grain cargoes in United States flag vessels.—Both the Senate bill and the House amendment provide that 50 percent of commodities furnished to India be moved in United States flag vessels. The Senate bill provides this by incorporating the applicable provisions of the Economic Cooperation Act of 1948, as amended, one of which is section 111 (a) (2). This section requires the Administrator for Economic Cooperation to take steps to "assure as far as is practicable" that 50 percent of the gross tonnage be moved in United States flag vessels "to the extent that such vessels are available at market rates for United States flag vessels." The House amendment provides that no materials made available under this act can be transported from the United States unless at least 50 percent are moved in American-flag vessels. In view of the shortage of shipping, and the apparent necessity to put into service additional United States Government-owned vessels, the committee of conference believes that flexibility is desirable so far as possible. The settled policy of the United States on this point is expressed in the Economic Cooperation Act of 1948, as amended. These provisions have proved satisfactory for 3 years. The committee of conference believes that the India grain shipment program should be conducted under this basic policy rather than under a different policy which would be the case under the language of the House amendment.

There is an additional point in the Senate language. Provisions other than section 111 (a) (2) may be applicable to a loan transaction. It is not necessary to detail these here. This is a question for the Administrator to determine; and in the determination, the fact that this bill is a loan will be the first test of applicability.

Use of interest payments for special purposes.—The Senate bill contained the "Mundt amendment," setting aside in a special Treasury deposit account the amounts of any interest payments made by India on or before January 1, 1957, this fund to be used for a cultural interchange program for the benefit of American institutions engaged in a variety of educational, medical, and philanthropic activities in India, for the interchange of Indian and American students, professors, and technicians, and for the interchange of scholarly books and technical equipment between the two countries. This provided an arrangement similar in purpose to the use made of the Boxer indemnity fund and the use now being made of loan payments by Finland. Similar provisions were in an amendment offered by Mr. Bray in the House. However, a point of order against this amendment was sustained. The committee of conference agreed on a substitute.

The principal differences between the substitute and the Senate language are three. The sum made available under the Senate bill might have amounted to about \$23,000,000 if 2½-percent interest on the full amount were negotiated for the period to January 1, 1957. On the other hand, no interest at all might be negotiated for that period. The committee of conference agreed on a limit for this pur-

pose not to exceed \$5,000,000. The conference agreement eliminates subsection (a) of the "Mundt amendment," authorizing allocations to certain American institutions in India. The conference agreement contains language providing for administrative expenses of the cultural program to be taken out of the fund and provisions regarding disbursement and accountability. These were not in the Senate bill.

Unlike the Boxer indemnity and the Finnish-loan repayment, no loan has yet been negotiated with India. The sums India may borrow and the terms of repayment will be a matter of future agreement between this country and India. The committee of conference had no data upon which to determine any formula for estimating interest payments. The committee of conference therefore agreed upon a token program from possible interest payments, not to exceed \$5,000,000.

The committee of conference was aware of the needs of India for a program in the field of agriculture that would prevent a recurrence of famines. It also considered India's development programs. Further consideration of India's long- and short-term programs will be studied later this year under the technical assistance program. Similarly a well balanced mutual aid program for this region will be the subject of intensive congressional interest.

In view of the uncertainty as to any available funds from interest payments, and the lack of information as to specific programs, the committee of conference decided that only a token should be authorized at this time.

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does not to exceed \$5,000,000. The conference agreement eliminates subsection (a) of the "27th amendment" authorizing allocations to certain American institutions in India. The conference agreement contains language providing for administrative expenses of the eventual program to be taken out of the fund and provisions regarding disbursement and accountability. These were not in the Senate bill. Unlike the Boxer indemnity and the Finnish loan repayment, no loan has yet been negotiated with India. The same India may have and the terms of repayment will be a matter of future agreement between this country and India. The committee of conference had no data upon which to determine any formula for repatriating interest payments. The committee of conference therefore agreed upon a loan program from possible interest payments not to exceed \$5,000,000.

The committee of conference was aware of the needs of India for a program in the field of agriculture that would prevent a recurrence of famine. It also considered India's development program. Further consideration of India's long- and short-term programs will be studied later this year under the technical assistance program. Similarly a well balanced mental aid program for this region will be the subject of intensive congressional interest.

In view of the uncertainty as to any available funds from interest payments, and the lack of information as to specific programs, the committee of conference decided that only a token should be authorized at this time.

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